

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 2281-01
Bill No.: HB 985
Subject: Department of Natural Resources; Emissions Testing
Type: Original
Date: March 28, 2001

FISCAL SUMMARY

| ESTIMATED NET EFFECT ON STATE FUNDS | | | |
|---|--------------------|--------------------|--------------------|
| FUND AFFECTED | FY 2002 | FY 2003 | FY 2004 |
| General Revenue | (\$743,690) | (\$892,428) | (\$892,428) |
| | | | |
| Total Estimated Net Effect on <u>All</u> State Funds | (\$743,690) | (\$892,428) | (\$892,428) |

| ESTIMATED NET EFFECT ON FEDERAL FUNDS | | | |
|---|------------|------------|------------|
| FUND AFFECTED | FY 2002 | FY 2003 | FY 2004 |
| None | \$0 | \$0 | \$0 |
| | | | |
| Total Estimated Net Effect on <u>All</u> Federal Funds | \$0 | \$0 | \$0 |

| ESTIMATED NET EFFECT ON LOCAL FUNDS | | | |
|--|------------|------------|------------|
| FUND AFFECTED | FY 2002 | FY 2003 | FY 2004 |
| Local Government | \$0 | \$0 | \$0 |

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 4 pages.

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Revenue, Office of State Courts Administrator, Missouri State Highway Patrol** and the **Department of Transportation** assume the proposed legislation would have no fiscal impact on their agencies.

Officials from the **Department of Natural Resources** noted that 643.350, RSMo states the commission shall establish the portion of the fee amount to be remitted by the contractor to the state. As a result the state of Missouri would receive it's established portion of the inspection fee regardless of the amount charged.

However, the contract was bid at \$24 for each emissions test. Reducing this fee to \$12 for motorists who would be required to have another emissions test within a period of twelve months or less would result in reduced revenue for the vendor. 2000 calendar year data disclosed that 74,369 vehicles in the St. Louis area fell into the category of vehicles affected by this proposal.

Using calendar year 2000 data, the department assumes this would result in a loss of revenue to the contractor of approximately \$892,428. The department assumes this revenue loss would have to be made up with General Revenue to comply with the terms of the existing contract.

The department and the vendor currently address the handling of damage claims filed by motorists. The vendor uses an approved form for "Comments", which is the document a motorist uses to file damages against the vendor. The contract requires the vendor to settle undisputed claims up to \$200 on the spot. The department meets weekly with the contractor to discuss damage claims that have been filed in the prior week.

The department intervenes, when necessary, to attempt to resolve disputes between the parties and has instituted a second independent claims evaluation process when circumstances warrant. The department currently does not require the vendor to post information about filing damage claims. The department assumes that this provision would not fiscally impact the department.

| <u>FISCAL IMPACT - State Government</u> | FY 2002 (10 Mo.) | FY 2003 | FY 2004 |
|---|---------------------|--------------------|--------------------|
| GENERAL REVENUE | | | |
| <u>Cost</u> - Compliance with existing contract | <u>(\$743,690)</u> | <u>(\$892,428)</u> | <u>(\$892,428)</u> |

FISCAL IMPACT - Local Government

FY 2002
(10 Mo.)

FY 2003

FY 2004

\$0

\$0

\$0

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

DESCRIPTION

Currently, the fee for biennial I/M-240 vehicle emissions testing is capped at \$24. This bill limits the test fee to \$12 for vehicles that will require another test within 12 months because of the odd/even relation between the year the vehicle was sold and the year the vehicle was manufactured.

The bill also requires the testing contractor to have a customer service representative and complaint forms available at each inspection station. The contractor is solely responsible for vehicle damage claims. Employees must be authorized to immediately satisfy damage claims for up to \$200, and forms must be provided for filing claims that cannot be resolved immediately. All complaints and a monthly summary of damage claims must be reported to the Department of Natural Resources.

Anyone aggrieved by the contractor can request resolution assistance from the department within 15 days. The department must respond within 30 days after receiving the request. The owner of any vehicle damaged during an emissions inspection may bring a civil action in local circuit court to recover double damages, court costs, and attorney's fees.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Natural Resources
Department of Revenue
Department of Transportation

SOURCES OF INFORMATION (continued)

AK:LR:OD (12/00)

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Missouri State Highway Patrol
Office of State Courts Administrator

A handwritten signature in black ink, appearing to read "Jeanne Jarrett". The signature is stylized with a large initial "J" and a cursive script.

Jeanne Jarrett, CPA
Director

March 28, 2001